

Draft Phase II Report



**CALFED
BAY-DELTA
PROGRAM**

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M e m o r a n d u m

Date: October 8, 1998

To: CALFED Policy Group

From: Lester A. Snow
Executive Director

*Klausner
for L. Snow*

Subject: Phase II Report

Summary

Schedule. The CALFED Bay-Delta Program is currently revising the Draft Phase II Report and components of the draft EIS/EIR for distribution to the CALFED agencies. The Phase II Report will either be mailed separately before the meeting or distributed at the meeting. This draft is for internal agency review. The Phase II Report will be discussed at the CALFED Policy Group meeting on October 15.

In addition, other early working drafts of the program elements of the EIS/EIR have been distributed for review to allow CALFED agencies additional opportunities for review and comment. A complete administrative draft is scheduled to be mailed November 2 with comments due by November 16 in order to make the December 7 printing date.

Critical Issues. The Draft Phase II Report incorporates the preferred alternative framework document which was distributed in August for comments. The framework document served to improve understanding of the Program, develop agreement and identify areas of disagreement. There are many actions, policies, and programs that must come together to form a preferred alternative that meets the CALFED goals and objectives and complies with the solution principles. While each part of the preferred alternative is important, there are a number of critical issues or elements which have a significant impact on the balance or support of the package. These issues, which are listed below, vary from the structure of specific actions to policy declarations.

CALFED Agencies

California The Resources Agency
 Department of Fish and Game
 Department of Water Resources
 California Environmental Protection Agency
 State Water Resources Control Board

Federal Environmental Protection Agency
 Department of the Interior
 Fish and Wildlife Service
 Bureau of Reclamation
 U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

1. "Everybody Gets Better Together." This policy is incorporated in the Phase II Report and is intended to convey that Stage 1 must result in tangible improvements in water quality, levee integrity, ecosystem health and water supply reliability -- the four resource areas.
2. No Uncompensated Reduction in Water Supply. This has lately been referred to in terms of "no dip." Related issues involve determining the baseline to evaluate changes in water supplies, and sharing water supply benefits (and financing responsibility).
3. Drinking Water Quality Improvements. Two concerns have been raised -- the need for water quality improvements in Stage 1 and the need for specific criteria and a process for future consideration of the isolated facility.
4. Surface Water Storage. CALFED agencies agree that actions to initiate planning for surface storage should be pursued in Stage 1 along with the other important water management tools. Concern still exists over how progress in transfers and water use efficiency should be bundled/linked to the decision to construct surface storage.
5. ESA and 404 Assurances. The preferred alternative needs to include assurances from a number of regulatory perspectives, but additional focus is on the 404 and ESA processes.
6. Policy Declarations. While there are numerous policies of significance listed in the Phase II Report, the following policy declarations are of particular concern in gaining understanding and support for a preferred alternative.
 - Existing landowner rights will be protected.
 - Existing water rights (especially area of origin) will be protected.
 - Land acquisition will generally follow a priority of public lands first, private land easements second, and private land fee acquisition third.
 - Beneficiaries pay.
 - Development of an agriculture mitigation policy.
7. Stage 1 Detail. All interests want to see sufficient detail in the Stage 1 actions to have confidence and ownership of the preferred alternative. Grouping these actions into bundles will provide some additional assurances of achieving the "get better together" policy.

Action -- Concurrence Item

Staff will propose a recommended approach for each of the critical issues and ask for Policy Group concurrence.